

## **FINANCE COMMITTEE APPROVES LEASE AGREEMENTS BETWEEN THE GOVERNMENT OF THE VIRGIN ISLANDS AND PRIVATE BUSINESSES**

**Date :** September 25, 2018

ST. THOMAS- Members of the Committee on Finance chaired by Sen. Kurt Vialet, held a meeting at the Capitol Building on Wednesday and considered several lease agreements between the Department of Property and Procurement (DPP) on behalf of the Government of the Virgin Islands (GVI) and private entities. All approved measures will be forwarded to the Committee on Rules and Judiciary for further consideration.

Lease Agreement between the DPP on behalf of GVI and Charles Electrical Services, LLC. For the premises described as Parcel No. 100 Submarine Base, No. 6 Southside Quarter, St. Thomas, U.S. Virgin Islands, consisting of approximately 1.143 sq. Ft. which is zoned "C" Commercial as shown on O.L.G. No. b9-278-170. The purpose is to renovate and used to operate as an office and warehouse for an Electrical Contractor. Policymakers voted and approved this lease agreement.

The term of the agreement is for 20 years. The annual rent is \$10,143.0 paid in monthly installments of \$845.25. "There is a clause in the rent abatement of 36 months. However, in the original agreement, the rent abatement was for 18 months. Can you expound?" asked Sen. Tregenza Roach. Vincent Richards, Deputy Commissioner of the Property and Printing of DPP, stated that the 18 months is a typo. The rent reduction is for 36 months because of the Hurricane Marilyn damaged property. The client continues to pay for expenses to clean up. Once the building is in use for business, DPP will collect rent from the tenant.

GVI acting by and through DPP will enter into a proposed Lease Agreement with ERK Corporation

for Parcel No. 48 Estate Nadir, No. 2 Red Hook Quarter, St. Thomas, the Virgin Islands, consisting of 6,677sq. Ft. and zone W-1, shown on OLG No. D9-3897-T08. The property will be used to operate a catering service business. Senators voted and approved this lease agreement.

Emerson Knight, Sr. President of E.R.K. Corporation, stated that a permanent structure would further stabilize the business. "We need a brick and mortar location to promote expansion and have a consistent face to face contact with our customers," said Knight. Deputy Commissioner Richards added that the terms of the lease agreement are to all the business to expand, invest and improve government premises. This lease agreement is a long-term investment.

GVI acting by and through DPP will enter into a lease agreement with Quality Paving, LLC. For Parcel No. 149 Rem. Submarine Base, No. 6 Southside Quarter, St. Thomas, Virgin Islands consisting of 4.51 U.S. Acres or 196,645 U.S. sq. Ft. The purpose of the property will be used to operate a paving company, asphalt plant, aggregate storage, offices, and a concrete plant. Senators voted and approved this lease agreement.

In response to a line of questioning by Sen. Nereida Rivera O'Reilly, President of Quality Paving Neil Carty stated that he is not partnering with anyone from the company Better Roads for this business venture. Warren Mosler is not an investor in this project. However, there are investors lined up once the lease is approved and Quality Paving, LLC intends on hiring thirty employees.

Separately, lawmakers also approved Bill No. 32-0123, a lease agreement between GVI through DPP on behalf of the Department of Agriculture and Ricardo Barnes for the premises described as Plot# 22-1Estate Plessen, St. Croix, U.S. Virgin Islands consisting of approximately 4.711 U.S. acres more or less as shown on O.L.G. drawing #4128.

However, senators voted to hold in committee Lease Agreement between DPP on behalf of the Government of the Virgin Islands and Industrious Auto Repair, Inc. for premise described as Parcel Nos. 51 and 51A Submarine Base. No. 6 Southside Quarter, St. Thomas, U.S. Virgin Islands, consisting of 42,053 total sq. Ft., and Zoned "C."

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